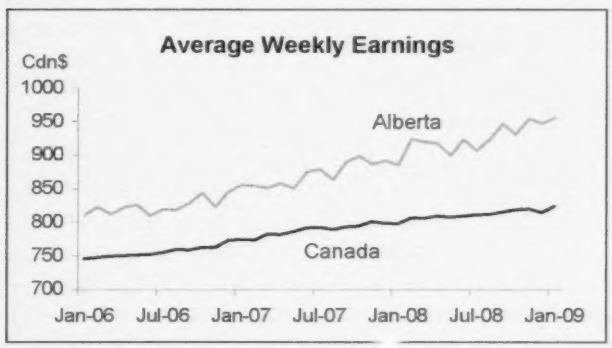
Weekly Economic Review

April 3, 2009

Average Weekly Earnings

Albertan weekly earnings outpace the country…

Albertan average weekly earnings continue to dramatically outpace the rest of the country, increasing to $955 in January. This was well above the Canadian average of $824 and 12.2% more than the second highest province, Ontario. Alberta's year-over-year growth in earnings is equally dominant, climbing 7.9% against a Canadian backdrop of 3.2% growth.



Industrial Prices

Industrial prices stabilize…

The Industrial Product Price Index rose 0.4% between January and February, marking the first increase since last August. Primarily responsible for the increase in the index was a 1.5% depreciation of the Canadian dollar and rising prices for petroleum products and primary metals, both of which were up 0.9% in February. The Raw Materials Price Index increased 1.7% on a month-over-month basis in February, as well. This was the second consecutive monthly increase, following on a 1.5% rise in January.

Rigs Drilling

Drilling activity collapses…

On a year-over-year basis, the average number of rigs drilling in Alberta fell a precipitous 60.8% in March, resulting in a year-to-date decline of 42.5%. The size of the drilling fleet contracted as well, down 10.6% from a year earlier.

↑	**Canadian Dollar (USc/CS)**	
	April 3, 2009	81.06
	March 27, 2009	80.70
	2009-10 YTD	80.30
↓	**WTI Oil US$/bbl**	
	April 2, 2009	$ 52.64
	March 26, 2009	$ 54.34
	2009-10 YTD	$ 50.52
↓	**Nymex Natural Gas CS/MMBtu** *	
	Near-month Contract	
	April 3, 2009	$ 4.64
	March 27, 2009	$ 4.65

* Estimate based on Nymex Futures Market Price

Canadian GDP

The Canadian economy contracts…

Canadian real gross domestic product fell 0.7% on a month-over-month basis in January, led by weakness in wholesale trade (-3.4%), manufacturing (-3.1%) and construction (-3.0%). Energy sector output, on the other hand, was essentially unchanged in January. The strongest performing sector in January was retail trade, which was up 1.4%.

G20 Meeting

Greasing the wheels of the global economy...

At the G20 summit in London this week, leaders pledged more than US$1 trillion in aid to assist vulnerable economies struggling to deal with the global recession and to improve trade flows. Some highlights were commitments to expand the resources of the IMF by US$500 billion and provide the institution with an extra US$250 billion to support global liquidity through special drawing rights, the IMF's "basket" currency. In addition, US$250 billion is being committed to expanding trade finance over the next two years, which will hopefully combat the recent withering of global trade.

US Labour Market

Trouble not over yet…

The US economy lost 663,000 jobs in March, resulting in an increase of the unemployment rate to 8.5%. This is the highest US unemployment rate since 1983 and raises the total number of American jobs lost in this recession to 5.1 million.

Alberta CURRENT ECONOMIC INDICATORS

April 3, 2009

Overall Economy	2007	2008	2009YTD*	(year-over-year % change unless otherwise noted) Oct	Nov	Dec	Jan	Feb	Mar
Real GDP (in 2002 $billions)	187.5	--	--	--	--	--	--	--	--
% change	3.1	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	--	--	--	--	--	--	--	--
% change	8.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,632	3,611	--	--	3,632	--	--
% change	2.6	2.1	2.4	2.4	--	--	2.6	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	11,125	4,927	--	--	6,198	--	--
Net International Migration[1] (level)	16,136	19,283	9,004	4,907	--	--	4,097	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	12,931	8,061	--	--	4,870	--	--
Labour Market									
Employment (000's)	1,959	2,013	2,014	2,035	2,032	2,023	2,026	2,002	--
% change	4.7	2.8	0.7	3.2	3.2	1.5	1.2	0.2	--
Unemployment Rate (%)	3.5	3.6	4.9	3.7	3.5	4.2	4.4	5.4	--
Average Hourly Wage Rate	6.0	5.7	5.3	6.2	5.0	4.1	6.2	4.5	--
Average Weekly Earnings[2] NSA	5.8	6.0	7.9	3.5	7.6	6.3	7.9	--	--
Labour Income[3]	11.3	8.4	--	7.7	7.3	6.8	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	1.7	2.4	2.1	1.9	1.2	2.1	--
Excluding food and energy	4.9	1.9	1.7	1.3	1.8	1.7	1.5	2.0	--
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	--	--	8.8 (Q4)	--	--	--	--
Farm Product Price Index	14.3	11.1	-6.0	1.3	-0.9	-4.7	-6.0	--	--
Crops	41.4	26.3	-22.8	-9.2	-14.9	-20.7	-22.8	--	--
Livestock	0.7	2.1	14.2	14.5	17.7	13.5	14.2	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	15.2	25.2	20.5	20.0	17.2	13.1	--
% change	-2.1	-39.7	-56.1	-46.8	-52.7	-48.3	-51.5	-60.9	--
New Housing Price Index	22.5	0.7	-8.4	-4.5	-5.1	-6.1	-8.4	--	--
Edmonton	32.1	1.0	-10.4	-7.7	-7.9	-8.2	-10.4	--	--
Calgary	16.2	0.6	-6.5	-1.6	-2.5	-4.3	-6.5	--	--
MLS Average Resale Prices	24.3	-1.4	-9.6	-3.7	-4.2	-7.4	-10.0	-9.2	--
Edmonton	34.3	-2.0	-6.6	-8.6	-2.0	-5.7	-4.5	-8.7	--
Calgary	18.7	-2.9	-11.1	-5.6	-6.0	-9.4	-11.4	-10.8	--
Retail Sales	9.3	-0.2	-6.3	3.1	-5.9	-7.8	-6.3	--	--
New Motor Vehicle Sales	3.3	-7.2	-22.2	-2.6	-11.6	-23.6	-22.2	--	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling NSA	-35.2	-2.1	-42.5	18.3	3.5	-10.2	-24.4	-43.9	-60.8
Goods Exports (customs based)	5.3	33.2	-27.3	43.5	16.4	-7.9	-27.3	--	--
Energy	4.4	40.9	-31.5	50.8	18.0	-7.9	-31.5	--	--
Agriculture	9.8	28.6	-3.4	31.5	35.8	16.8	-3.4	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	--	--	--	8.5 (Q4)	--	--	--
Manufacturing Shipments	1.9	6.9	-13.3	7.7	-4.8	-8.4	-13.3	--	--
Wholesale Trade	4.5	10.9	1.8	14.8	7.4	13.5	1.8	--	--
Building Permits	13.4	-16.5	-51.6	-43.8	-14.7	-29.1	-51.6	--	--
Residential	10.7	-31.5	-66.1	-35.2	-42.2	-37.2	-66.1	--	--
Non-residential	17.1	3.7	-39.3	-50.6	24.5	-21.4	-39.3	--	--

Alberta Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The January population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Winter 2009)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008	**0.7%**	1.0%	1.2%	1.6%	1.1%	1.0%	0.0%	2.7%	5.4%	**0.6%**	1.0%
2009	**-0.5%**	-2.6%	0.6%	-0.3%	0.2%	-0.4%	-1.2%	1.0%	1.6%	**-0.5%**	-0.1%
Population (As of January 1, 2009)											
Population	**33,504,680**	508,990	140,402	939,531	748,319	7,782,561	12,986,857	1,213,815	1,023,810	**3,632,483**	4,419,974
Annual Growth Rate[a]	**1.21%**	0.24%	1.25%	0.25%	0.23%	0.86%	1.05%	1.11%	1.50%	**2.58%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
4th Quarter (October 1, 2008 to December 31, 2008)		292	-503	108	264	-2,139	-6,517	249	949	**6,198**	1,453
Employment											
Level Change (000s)[b]	**-232.3**	-7.6	-1.5	8.8	-2.4	-62.6	-143.4	5.7	14.5	**4.4**	-48.2
Percent Change[b]	**-1.4%**	-3.7%	-2.3%	2.0%	-0.7%	-1.6%	-2.2%	1.0%	2.9%	**0.2%**	-2.1%
Unemployment Rate, 2009 avg	**7.5**	14.7	12.1	8.8	8.8	7.8	8.4	4.7	4.4	**4.9**	6.4
Participation Rate, 2009 avg	**67.4**	59.1	67.5	64.8	64.9	65.2	67.7	69.6	70.5	**74.8**	65.8
Average Weekly Earnings (SA)											
January 2009	**823.71**	772.88	677.87	731.21	741.02	749.98	851.40	765.96	802.43	**955.35**	798.70
% Increase[c]	**3.2%**	4.1%	4.3%	4.1%	4.0%	-0.1%	2.9%	4.9%	6.3%	**7.9%**	3.4%
Wage Settlements (February 2009)										**5.9%**	
CPI Inflation											
February Annual	**1.4%**	0.9%	1.0%	0.4%	0.3%	0.8%	1.5%	1.7%	2.6%	**2.1%**	1.5%
Excluding Shelter	**0.7%**	-0.1%	1.3%	0.0%	0.1%	0.5%	0.6%	0.9%	0.6%	**1.5%**	1.5%
Housing Starts (000s)											
SAAR February 2009	**134.6**	2.8	0.6	4.6	3.6	38.2	47.3	4.1	4.0	**13.1**	16.3
Retail Sales											
Percent Change[c]	**-4.5%**	-1.1%	-0.5%	-1.3%	-0.8%	-2.4%	-5.4%	-2.9%	0.3%	**-6.3%**	-6.9%
2008 Retail Sales Growth	**3.2%**	7.8%	4.9%	4.5%	4.9%	4.9%	3.3%	7.1%	10.4%	**-0.2%**	0.2%
Manufacturing Shipments											
Percent Change[c]	**-17.5%**	-40.7%	17.0%	-16.1%	-25.2%	-8.9%	-23.4%	-6.5%	-6.2%	**-13.3%**	-18.4%

a. Over the past 12 months
b. February 2009 Y/Y change, unadjusted for seasonal effects
c. January 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada